Advanced Management Competencies (AMC)

Date: 25 July 2020

Time: 1300Hrs – 1600Hrs

Duration: Three (03) Hrs

Total marks for this paper is 100 marks.

There are two parts in this question paper. All questions in Part One are compulsory.

It includes a mini case.

Part Two includes 6 Essay Type Questions. Answer 03 questions from this part.

Instructions to candidates

1. State your Registration Number on the front cover of the answer booklet and on each and every additional paper attached to it. Your name must not appear anywhere in the answer booklet or answer scripts.

2. Always start answering a question on a new page.

3. You are reminded that answers should not be written in pencil or red pen except in drawing diagrams.

4. Answer the questions using:
   - Effective arrangement and presentation
   - Clarity of expression
   - Logical and precise arguments
   - Clear diagrams and examples where appropriate

5. Illegible handwriting and language errors will be penalised.
PART ONE

Answer all questions

Question 01: Case Study

RandSmart is a 21-year-old pharmaceutical company, founded by Denver Aroon primarily to fulfil his dream of becoming an entrepreneur and alternatively to generate an income to live a comfortable life. Denver was a young entrepreneur then and has gained solid experience in business over the years. Despite not entering high school, he became an entrepreneur owing to his high level of enthusiasm for a business start-up. Today, RandSmart imports and distributes a variety of pharmaceutical items across the country. The company has been making profits in intense competition and has a direct staff strength of 2500.

“I usually believe in my own strengths and experiences, my decisions may go right or they may go wrong, yet I am open to receive advice and guidance”, Denver once mentioned at one of the executive committee meetings. Expansion required Denver to hire people with experience and related business qualifications to handle various decision-making processes of RandSmart.

Having recruited the right people, Denver continued to make his own informal business decisions overriding the suggestions and directions given by his executive team. There were instances that RandSmart incurred random business losses owing to the biased, informal and oppressive decisions made by Denver who disregarded the advice of his executive committee. However, RandSmart continued to make competitive profits against its competitors in the market.

Vanita Lan, the Chief Director of the company has a different thought process when making her decisions. She spends a considerable amount of time with the executive committee, obtaining updates of the business, its performance and keeping tabs of all events and milestones.

The executive committee trusts and engages with the Chief Director, Vanita Lan on business activities and the Chief Director makes most of the business decisions within her authority in consultation with the executive committee. Vanita Lan invited Denver for all her business meetings where they made important decisions that impacted the future of RandSmart. Denver was not present for most of the meetings and got himself excused allowing Vanita Lan and the executive team to feel confused.

Vanita Lan’s efforts were not commended by all employees of RandSmart. Some employees who were recruited by Denver through his known contacts to run various important operational level tasks started to convey their displeasure to Denver having to follow guidelines issued by the executive committee under the leadership of Vanita Lan.

Within several months, RandSmart started to make operational losses in its overall business. Denver Aroon never expected that the chief director along with the executive committee would lead the company to be making operational losses. He immediately called for a meeting with the executive committee including the Chief Director.

“This is the very reason why I make my own decisions, had I trusted you, this company would have not been in existence today”. He looked at the committee as if they had robbed RandSmart.

Austin Monger, the CFO of the company could not stand Denver; “You have hired all your henchman
and placed them to handle important operational functions, they don’t even care about our
decisions, and directions. Because you believe in all their stories, we had no other option than to
work with a bunch of unfaithful, uneducated and uncooperative creatures.”

Denver got up from his seat and yelled “you people being so educated were not able to manage this
golden business for a few months. Do you expect me to have you in this company anymore?”
Vanita Lan stood up and said “Ladies and gentlemen, we cannot resolve issues in this manner, trust
we postpone this meeting for another day”. Her words brought some consolation into the audience.
Later that day, Vanita Lan had a serious discussion with Denver, she gave two options to Denver.
“Either I should be given the full authority similar to yours to manage the overall business, or I will
have to step down as Chief Director and all my designations at RandSmart. Which one do you want?”
she asked.

Denver was astonished to hear this from his chief director. She further added, “this is not a matter
of power or authority, this is a matter of business”. She was so clear about what she meant and
went to the extent of saying that “if you do not take your option, I would not be hesitant to take the
second option,”

Denver was quiet for a few seconds and asked Vanita Lan, “What do you mean?”

Vanita said “I will withdraw my ownership, you simply disallow this company to attain its highest
level of sustainability owing to your behaviour, and that’s not what I want in business. Moreover, I
don’t have time to waste anymore”.

Vanita joined RandSmart 15 years ago as its Chief Director investing 35% of capital in RandSmart’s
expansion programme. Vanita is also a co-founder of an education business that has a great
demand, earning a respectful name in the business society as a strong leader with immense courage
and patience.

Denver is highly concerned about sales and revenue and he makes all his decisions with a view to
make short term profits. Once he denied to execute a recommendation presented by his internal
auditor to dismiss a long-standing regional sales head who had been misappropriating stocks with
his buyers in the region. Denver having known the sales capabilities of the regional sales manager
decided to keep him in the company assuming that RandSmart will lose its share in that region if he
removed the sales head. There were several instances of this nature where Denver decided to retain
his long-standing employees who were clearly underperforming under the blessings of Denver
Aroon.
a) “Becoming an entrepreneur is a great dream that materializes only for a few. Yet, entrepreneurs can fail in the long run” Do you agree with this statement. Justify your answer quoting evidence from the case.

(04 Marks)

b) If you are appointed as a personal advisor to Denver Aroon, what sort of advice would you give him to be successful in his people skills?

(04 Marks)

c) Improvise and evaluate as to why Denver Aroon would have got himself often excused from meetings organized by Vanita Lan.

(04 Marks)

d) Denver Aroons decision to retain the regional sales head is not a “programmed decision”. Justify this statement while explaining the meaning of “programmed decisions”.

(04 Marks)

e) “It is of no use for an entrepreneur to be successful in only growth. What about business ethics? Denver has failed as an entrepreneur”. Do you agree with this statement? Justify your answer with evidence from the case.

(06 Marks)

f) Assess the qualities of Denver and Vanita as a “manager” and a “leader” and suggest one development area for each, to be further successful in their leadership roles.

(08 Marks)

g) Vanita Lan possesses an intuitive problem solving style. Explain this considering the “action tendencies” of this problem-solving style. Justify with one evidence from the case.

(10 Marks)

(Total 40 Marks)
PART TWO
This part includes SIX (06) Essay Type Questions
Answer THREE (03) questions

Question 02
a) Assume that AB&C is a multinational company operating in Sri Lanka for over 50 years now, providing financial and business advisory services in the hospitality industry. With the recent COVID-19 pandemic situation the company decides to strengthen its arm in Sri Lanka by forecasting a lucrative business space in the future.

Assume that you are the country manager of AB&C and extend your support to the existing hospitality industry players in Sri Lanka with a training programme on how to make prudent decisions in a crisis.

Explain the meaning of conceptual skills. Justify why it is important for you to touch upon conceptual skills in your proposed training from a crisis management point of view.

(10 Marks)

b) If you are the chairman of a 30-year-old hotel brand in Sri Lanka facing a cash flow problem due to insufficient events/occupancy to meet your operating expenses, how will you decide to manage your business?

(10 Marks)

(Total 20 Marks)

Question 03
a) “Tolerance for ambiguity is a valuable trait of an entrepreneur. Most people who start up small businesses need to possess this characteristic for him/her to be successful in the long run.”

Justify the above statement with suitable arguments.

(12 Marks)

b) There are many reasons why start-ups fail. Choose two (02) such reasons and advice future entrepreneurs on how to deal with these reasons.

(08 Marks)

(Total 20 Marks)

Question 04
In certain virtual organizations, employees most often do not get to see their colleagues, subordinates, direct managers and leaders physically. In these circumstances the level of emotional intelligence of a person, especially of a leader, helps them to manage through their resources well, including people.

a) If you are a management consultant of a large conglomerate who uses virtual options to perform day to day business functions, how would you advise the leaders of this conglomerate to use the basic components of emotional intelligence to be successful in business performance?

(12 Marks)
b) Virtual teams will obviously face many challenges. Effective team leaders address many things to ensure the proper functioning of virtual teams. Using technology to build trust and relationships is one of such things. Briefly explain four (04) steps a leader can take to build trust and relationships within the team members.

Question 05
a) Explain the meaning of “Six Sigma” and justify how the benefits of six sigma can be used in online businesses by considering three (03) benefits of lean thinking.

b) When you change organizational processes, people who are involved would often feel uncertain about what is going to happen and how the change will impact them. You are just about to introduce a new technology platform to manage your supply chain and vendors. If you are the change leader, assess two (02) options that can be used to avoid a sense of uncertainty.

Question 06
a) It might be at times correct to state certain people managers do not realize that “listening” is probably the most powerful tool in communication.

Compare three characteristics of a good listener with a poor listener and explain one benefit of each characteristic of a good listener.

b) There are two types of team communication networks; namely, centralized networks and decentralized networks.

State whether “WhatsApp” is a centralized communication network or a decentralized communication network. Do you recommend “WhatsApp” to be used as a formal method of communication for your sales team, justify your answer.

Question 07
Social media is not only used as a casual and informal networking method but also as an important tool to market and grow businesses of all types.

a) Define “social media” and state its coverage of elements.

b) “Blogging” is an element of social media. Explain what external blogs by giving three (03) benefits.